

## Message Text

LIMITED OFFICIAL USE

PAGE 01 PORT A 01846 241548Z

61

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 AGR-05 IO-10 EUR-12 FEA-01

ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01

PM-03 USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04

TRSE-00 FRB-03 /115 W

----- 052670

R 231835Z JUL 75

FM AMEMBASSY PORT AU PRINCE

TO SECSTATE WASHDC 307

LIMITED OFFICIAL USE PORT AU PRINCE 1846

REF: PORT AU PRINCE A-59, APRIL 27, 1975

E.O. 11652: NA

TAGS: EINV EMIN HA

SUBJ: HAITIAN CLIMATE FOR MINERALS INVESTMENT

REF: PORT AU PRINCE A-59 APRIL 27, 1975

1. SUMMARY: RECENT DEVELOPMENTS IN MINERAL FIELD AUGUR WELL FOR A MORE RATIONAL AND FORTHCOMING ATTITUDE ON PART OF GOH TOWARD MINERAL DEVELOPMENT. THESE DEVELOPMENTS INCLUDE THE FOUNDATION OF THE NATIONAL INSTITUTE OF MINERALS RESOURCES, A DEMONSTRATION OF DIRECT PRESIDENTIAL INTEREST AND SUPPORT IN THE INSTITUTE, AND THE ASSIGNMENT OF BUSINESS-ORIENTED HENRI BAYARD AS COORDINATOR OF THE INSTITUTE. END SUMMARY.

2. THE HAITIAN NATIONAL INSTITUTE OF MINERALS RESOURCES (REF AIRGRAM) WAS OFFICIALLY INAUGURATED ON JULY 2, IN THE PERSONAL PRESENCE OF PRESIDENT DUVALIER. HE EMPHASIZED THE IMPORTANCE THE REGIME PLACES ON DEVELOPMENT OF MINERAL RESOURCES, THE KEY ROLE THE INSTITUTE WILL PLAY IN PLANNING THIS DEVELOPMENT, AND

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PORT A 01846 241548Z

HIS OWN CONFIDENCE IN THE NEW COORDINATOR HENRI BAYARD (ALSO

UNDER SECRETARY OF COMMERCE AND INDUSTRY).

3. COORDINATOR BAYARD, BOTH IN HIS OFFICIAL OPENING SPEECH AND IN LATER CONVERSATIONS WITH EMBOFF, STRESSED THE PRIMACY OF THE NEW INSTITUTE IN THE MINERALS FIELD AND THE IMPORTANCE WHICH FOREIGN INVESTMENT WILL PLAY. IN HIS SPEECH, BAYARD REFERRED TO HAITI'S TRADITIONAL POLICIES ON SOVEREIGNTY AS BEING IN ACCORD WITH THIRD WORLD VIEWS ON RATIONA AND JUST EXPLOITATION OF NON-RENEWABLE RESOURCES AND ON THE FOUNDING OF A NEW ECONOMIC ORDER. HE WENT ON TO SAY: QUOTE ALTHOUGH HAITI REFUSES TO ENGAGE IN POLITICAL/ECONOMIC DEMOAGOGY, SHE KNOW AT THE SAME TIME HOW TO PROVIDE AN EXAMPLE OF FIRMNESS IN DIALOGUE AND AGREEMENTS WITH THE POWERFUL, INTERNATIONAL COMPANIES WHO ARE HERE FUTURE EVENTUAL PARTNERS. UNQUOTE LATER, IN CONVERSATIONS WITH EMBECONOFF, BAYARD REITERATED THE IMPORTANCE OF DEVELOPING GOOD CONTRACTS WITH FOREIGN COMPANIES, A GOAL WHICH HE DEEMS ESSENTIAL BOTH TO SUPPORT HAITIAN ECONOMIC DEVELOPMENT AND TO RESTORE THE HAITIAN IMAGE IN EYES OF FOREIGN INVESTORS AND BANKERS. HE ALSO NOTED THAT THE INSTITUTE IS CONSIDERING PROPOSING CHANGES IN THE RECENTLY-PROMULGATED MINERAL LAW TO TAKE INTO CONSIDERATION SOME OF THE PROBLEMS WHICH HAVE BEEN NOTED BY BOTH THE UN AND BY PROSPECTIVE INVESTORS.

4. THE NEW INSTITUTE AND ITS COORDINATOR HAVE HAD FIRST TO CONCENTRATE ON PREPARING FOR NEGOTIATIONS WITH REYNOLDS WHICH BEGAN ON JULY 21. THE NEXT STEP IS TO REGULARIZE THE PROPOSED CONCESSION CONTRACTS WITH PENNAROYA OR KENNECOTT OR BOTH FOR THE AREAS NOT COVERED BY UN EXPLORATION CONTRACT. DISCUSSIONS HAVE ALREADY BEEN INITIATED WITH BOTH GROUPS. CONCESSIONS IN OTHER AREAS OF THE COUNTRY WILL FOLLOW AFTER COMPLETION OF UN SURVEY. BAYARDS PRELIMINARY VIEWS ARE THAT A CONSORTIUM APPROACH TO DEVELOPMENT OF DEPOSITS WOULD NOT BE IN THE INTEREST OF HAITI. IF DEPOSITS ARE LARGE ENOUGH, HE WOULD PREFER TO NEGOTIATE CONTRACTS WITH SEVERAL FIRMS, OTHERWISE, FIRMS SHOULD COMPETE FOR A CONCESSION. (NOTE: BAYARD ALSO STATE THAT THE U.S. CONSULTING ENGINEERING FIRM, GANNETT, FLEMING CARDDRY AND CARPENTER, WHICH IS REPORTEDLY GOING TO VARIOUS U.S. MINING COMPANIES IN AN EFFORT TO FORM A CONSORTIUM FOR THE DEVELOPMENT OF HAITIAN MINERAL RESOURCES, HAD NOT BEEN REQUESTED BY THE GOH TO TAKE SUCH ACTION AND, IN FACT, HAD NEVER TALKED WITH BAYARD OR ANYONE AT THE INSTITUTE.)

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PORT A 01846 241548Z

5. COMMENT: THE ESTABLISHMENT OF THE NEW INSITITUE AND ASSIGNMENT OF BAYARD AS COORDINATOR ARE HOPEFUL SIGNS FOR THE FUTURE OF HAITIAN MINERAL POLICY. IT ESTABLISHES ONE CENTER, CLOSE TO THE PRESIDENT, WITH RESPONSIBILITY OF POLICY, THUS ELIMINATING SOME OF THE COMPETITION BETWEEN DEPARTMENTS AND SHARP SHIFTS WHICH HAVE CHARACTERIZED POLICY OVER THE PAST YEAR. BAYARD, THOUGH CERTAINLY NO EXPERT IN THE MINERALS FIELD, DOES HAVE ACCESS TO

THE PRESIDENT AND IS A BUSINESSMAN WITH SOME IDEA OF THE ATTITUDES AND NEEDS OF FOREIGN INVESTORS. ALTHOUGH NOT AN EXPERT NEGOTIATOR, HE SEEMS TO BE IMPROVING AND IS NEITHER XENOPHOBIC OR ANTI-CAPITALIST. IN EMBASSY VIEW, HE WOULD BE INCLINED FAVOR U.S. COMPANIES FOR CONCESSION CONTRACTS, PROVIDED OFFERS FOR DEVELOPMENT WERE ROUGHLY EQUIVALENT TO THOSE OF COMPETING CANADIAN OR FRENCH COMPANIES.

ISHAM

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INVESTMENT CLIMATE, ESTABLISHMENT OF OFFICES, MINING INDUSTRY  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975PORTA01846  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750255-1038  
**From:** PORT AU PRINCE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750729/aaaabacn.tel  
**Line Count:** 123  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 PORT AU PRINCE A-59  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 10 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <10 SEP 2003 by ellisoob>; APPROVED <05 NOV 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** n/a  
**TAGS:** EMIN, EINV, HA, NATL INSTITUTE OF MINERAL RESOURCES  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006